GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:50
ANSWERED ON:21.10.2008
IMPORT OF RAW MATERIAL BY PHARMA COMPANIES
Muqueem Shri Mohammed

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Directorate General of Foreign Trade (DGFT) is allowing pharma companies to import the raw material based on the claims of non-infringing process;

(b) if so, whether the material being claimed for the non-infringing process are much more than what is published under input-output norms;

(c) the names of the companies which have been allowed the imports of raw material based on non-infringing process alongwith the details of the export products and the country of export; and

(d) the steps taken by the Government to ensure optimum use of these material for exports and to prevent profiteering by these companies by selling the custom free raw material into the Indian market?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

a) to d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.50 FOR ANSWER ON 21ST OCTOBER, 2008 REGARDING "IMPORT OF RAW MATERIAL BY PHARMA COMPANIES"

(a) & (b) A few Pharmaceutical Companies have been allowed import of raw materials based on non-infringing process. These input output norms are based on the process under which the Pharmaceutical product is produced, and are higher than the Standard Input Output Norms (SION) for the said product.

(c) As per information readily available, details are as under:

Name of the firm	Export Product	Country of export
M/s. Lupin Ltd.	(a) Cefotaxime Sodium	USA
	(b) Sterile Ceftriaxone Sodium	USA
M/s. Cadila Pharma Pvt. Ltd.	Carbinoxamine Tannate	USA
M/s. Medicorp Technologies Inds. Ltd.	Clarithromycin	Canada, USA & Europe

(d) Imports under the advance authorization scheme are subject to actual user condition. The advance authorization holder is required to maintain a true and proper account of consumption and utilization of duty free inputs against each Authorization. Random checks can be undertaken both by the Central Excise Authorities and the Regional Authorities of DGFT. In case of violation of licence conditions, penal action is taken under Foreign Trade (Development and Regulation) Act, 1992, and the Customs Act, 1962. No instance of selling Custom duty free material into domestic market has so far been noticed.